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SUGAR REPORTS

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MARKET REVIEW

Deliveries of sugar by primary distributors during the first seven months of the year were approximately 175 thousand tons behind last year. During May and June deliveries exceeded those for the same two months last year but dropped sharply in July, amounting to only 755 thousand tons, or 130 thousand less than during July 1953. Beet sugar continues to dominate the market. Deliveries by the beet sugar processors by July 31 were 82 thousand tons more than during the same period of 1953 while deliveries by all other groups of distributors were 256 thousand tons less.

The continuing wide spread of about 2.62 cents per pound between the quoted wholesale price of refined cane sugar and the spot price of raw sugar at New York is undoubtedly contributing to buyers' decisions to hold inventories to a minimum level. For the first seven months of 1953 that spread averaged only 2.39 cents. The spread between the raw price and the refined price in other territories is, of course, considerably less. The duty paid price of raw sugar at New York averaged 6.19 cents per pound for July and ranged between 6.05 and 6.15 cents during the first two weeks of August.

Refiners' stocks, which on June 30 were 696 thousand tons or 50 thousand higher than on June 30, 1953, were allowed to decline and on July 31 were 606 thousand tons, approximately the same as last year. Charges against offshore quotas for the first seven months amounted to 3,874 thousand tons as compared to 4,018 thousand on the same date last year. The greatest decline, 182 thousand tons, was in charges against Puerto Rico and the second greatest 74 thousand, in charges against Hawaii. The longshoremen's strike in Puerto Rico, which lasted from late June until the end of July, does not account entirely for the decline in charges against the quota for that area since by May 30, the quantity charged was already 88 thousand tons less than for the first five months of 1953. These declines through July 31 were partially offset by increases of 100 thousand and 36 thousand tons in charges against the quotas for the Philippines and Cuba, respectively. Charges against the direct-consumption portions of the offshore quotas were 70 thousand tons higher than a year ago; however, deliveries by the importers of these sugars were 47 thousand tons behind last year and their stocks on July 31 were correspondingly higher.

The price of Cuban sugar for the world market, which reached a low for the year to date of 3.05 cents per pound, f.a.s. Havana, in mid-July recovered somewhat thereafter, and by mid-August had again reached 3.20 cents. This price, however, is still 5 points below the minimum of the zone for stabilized prices specified in the International Sugar Agreement. The Executive Committee of the International Sugar Council met in London on July 29 to consider voluntary action to establish equilibrium between world requirements and supplies. Also, the Cuban Sugar Institute has recently held meetings to discuss measures that might be taken by Cuba to improve world sugar prices.

PUBLIC HEARING ON 1955 SUGAR BEET
ACREAGE ALLOTMENTS

The Sugar Division will hold an informal public hearing in Denver, Colorado on August 23 for the purpose of discussing a proposed plan for establishing restrictive proportionate shares (individual farm acreage allotments) for the 1955 sugar beet crop.

Developments in the beet sugar marketing situation in the latter part of 1953, reflecting the unexpectedly large 1953 crop and the interest of producers in 1954-crop acreage, pointed to the need for marketing allotments for 1954 and also judicious planning for 1954-crop plantings. This matter was discussed with the industry on several occasions. When data became available in May of this year on 1954 plantings it became evident that most of the processors exercised considerable restraint in contracting for 1954 acreage. Despite this fact, it appears that the 1954 crop of beet sugar will exceed the quota of 1,800,000 tons.

With prospects of the quota being exceeded for the second successive year it is the opinion of both the industry and the Department that the 1955 acreage must be restricted. To provide for the early consideration of the method by which this could be accomplished, a meeting was held in Washington during the latter part of June. This meeting was attended by both processor and grower representatives. In July an industry-wide meeting was held in Denver under the auspices of the American Sugar Beet Industry Policy Committee to consider the problem and to determine whether processor and grower associations through cooperative effort could agree to restrict 1955 acreages. At the meeting a majority of the industry representatives approved a resolution providing for the assignment of stipulated acreages to beet sugar companies which would represent goals for

1955-crop plantings. In addition another resolution was approved for the establishment by the Department of restrictive farm proportionate shares in the event the company goals did not become effective.

Since important segments of the industry have not as yet accepted the company goals, the Department has called the hearing in Denver to consider a proposal for the allocation to States of a national acreage that may reasonably be expected to produce a 1955 crop of about quota size.

SUGAR INDUSTRY CONFERENCE

A conference of sugar refiners and domestic sugar producers will be held September 15, 1954, in Room 218A of the Administration Building, U. S. Department of Agriculture, Washington, D. C. An earlier announcement to the industry had given the meeting place as Room 3709, South Building, U. S. Department of Agriculture. Those who are planning to attend the conference are requested to note this change in the meeting place.

The conference is an outgrowth of industry requests for interpretations involving some of the definitions in the Sugar Act of 1948, as amended. Although similar requests have been made at various times in the past and have been answered by the Sugar Division, the requests made during the Spring and Summer of 1953 arose in part because of changing technological conditions. Such changes make desirable a full review of the problems. The agenda for the conference includes the following subjects for discussion.

(1) Liquid sugar: Problems with regard to the quota assignment of liquid sugar from offshore domestic areas have arisen from time to time and will be discussed in detail at this meeting.

(2) Refining or improving in quality: One of the Sugar Act distinctions between raw and direct-consumption sugar is based on the phrase: "to be further refined or improved in quality." Several problems involving the interpretation of this phrase have developed in the past and will be presented for discussion.

(3) Manufactured products containing sugar: Since it is possible to use some "manufactured articles" as a substitute for sugar, the problems arising from such products are very important insofar as quota control is concerned.

(4) Dried molasses: Sugar-containing products may be included or excluded from Act control on the basis of technicalities in definitions. These technicalities are to be reviewed at the conference.

(5) Raw value: The use of raw value as a common denominator for relating sugars of different quality will be discussed.

(6) Tariff rates: Since liquid sugar is dutiable under paragraph 502 rather than paragraph 501 of the Tariff Act, crystalline and liquid sugar do not have the same tariff rate. The differences in these rates will be discussed.

(7) Low order uses for sugars: The problems involved in utilizing sugar for livestock feed, distillation of alcohol, and other such low order uses for sugar under the Act will be discussed.

A complete representation from the industry is expected to take part in the conference. Because of the wide scope of the problems, it may be necessary to form a task force to study the problems in detail after the conference has made an exploratory examination of them.

FAIR PRICE DETERMINATIONS UNDER THE SUGAR ACTS

by

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FOREWORD

In the development of agricultural programs much attention has been focused on the various concepts of insuring equitable market returns to farmers for their products. In accordance with the provisions of the Sugar Act specific measures are taken under the sugar program to provide that returns to producers represent an equitable division of the total proceeds received by processors. This article is a brief discussion of the authority, background, standards and procedures with respect to fair price determinations for sugar beets and sugarcane issued by the Secretary under authority of the Sugar Act of 1948, as amended, and prior legislation.

AUTHORITY

Fair price determinations are issued pursuant to Title III of the Sugar Act of 1948 which provides: "Sec. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar: * * * (c) (2) That the producer on the farm who is also directly or indirectly a processor of sugar beets or sugarcane as may be determined by the Secretary, shall have paid or contracted to pay under either purchase or toll agreements for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing."

Two other sections of the Sugar Act provide means whereby fair price determinations may be implemented. Section 409 of the Act provides that the Secretary, if requested by persons representing a substantial proportion of the persons affected in any of the areas, may make recommendations with respect to the terms and conditions of contracts between producers and processors of sugar beets or sugarcane providing he deems such action necessary to effectuate the purposes of the Act. The Secretary is also authorized in Section 410 to conduct surveys, investigations and research in order to accomplish most effectively the purposes of the Act.

The Sugar Act of 1937, precedent legislation to the current law, contained similar fair price provisions. The Jones-Costigan Act (1934) also provided for equitable sharing of sugar returns by producers. Under that Act the Secretary, upon request of any producer, association of producers or any processor of sugar beets or sugarcane, was authorized to adjudicate any dispute as to any of the terms under which sugar beets or sugarcane were grown or marketed. The decision and any determination of the Secretary were to be final.

BACKGROUND

Beginning in 1925 the world market price of sugar began to fall. Prices reached an all-time low in 1932, following which industry and the Government sought more effective means than high tariff walls to protect the domestic sugar industry. In 1933 the sugar industry, at the request of the Secretary of Agriculture,

attempted to formulate a plan for improving and stabilizing sugar prices under the voluntary marketing agreement authority of the Agricultural Adjustment Act. With respect to "fair prices" it was proposed that higher prices for sugar beets and sugarcane were to accrue to growers as a result of the higher prices for the finished product received by refiners and processors. However, sugar beet growers were not satisfied with anything so indefinite. They believed that the Secretary should determine the fairness of the price of sugar beets paid by the processors. Accordingly, the agreement provided: "In consideration of the benefits which will accrue to the beet sugar producers (factories) through the operation of this Agreement . . . it is hereby agreed that equitable division of such benefits shall be made with the beet growers under the supervision of and with the approval of the Secretary; and the determination of the Secretary in adjusting the inequalities and benefits shall be final; and that contracts between beet growers and sugar beet producers for beets . . . shall be subject to the approval of the Secretary." Beet sugar processors, however, would not agree to lodge such powers in the hands of an administrative official and signed the agreement with reservations. Although the industry plan was rejected by the Secretary, some of its features were embodied in the President's message to the Congress recommending that the Agricultural Adjustment Act be amended and alleviate the sugar problem.

Most of the proposals recommended by the President were embodied in the Jones-Costigan Act which was passed by Congress on May 9, 1934. Provisions were made for the division of the U. S. market among domestic and foreign supplying areas by means of quotas; for the levying of a tax on the processing of sugarcane and sugar beets to offset the expenditures in the form of payments made to growers to compensate them for adjusting their production to quotas and to augment their income; and for the equitable division of returns from sugar among processors, growers and farm workers.

Under the 1934 and 1935 sugar programs the Secretary entered into production adjustment contracts with producers of sugar beets and sugarcane. These production adjustment contracts were developed in each area by representatives of Government and the industry. The Secretary agreed to pay to producers, if they met certain production, marketing, child labor and wage conditions, an amount which, when added to the average market price of sugar beets and sugarcane as determined by the Secretary, would equal the parity price as determined by the Secretary under the Agricultural Adjustment Act.

During 1935 the sugar program made possible by the Jones-Costigan Act became fully operative with respect to all domestic areas. Also during that year the Secretary was called upon to adjudicate

fair price disputes between producers and processors of sugar beets and sugarcane. On January 6, 1936 the production adjustment and processing tax phases of the program were terminated by a decision of the Supreme Court. The effect of invalidation of the sugar processing tax was to redistribute income under the quota system. Returns to sugar beet and sugarcane growers declined while returns to processors correspondingly increased. Sugar beet growers undertook to obtain an appropriate adjustment in their contracts with processors to compensate for the reduction in their income but with only limited success.

On March 1, 1937 the President recommended reenactment of the basic principles of the Jones-Costigan Act. The resulting legislation, the Sugar Act of 1937, was approved on September 1, 1937. It was similar in many respects to the Jones-Costigan Act, and contained specific provisions for determination by the Secretary of fair and reasonable prices for sugar beets and sugarcane. It provided that a processor who is also a producer, and as such applies for a conditional payment under the Act, must pay for sugar beets or sugarcane purchased from other producers rates not less than those determined by the Secretary to be fair and reasonable. A similar provision has been contained in all subsequent legislation.

STANDARDS

"Fair exchange value" or "parity" price was the standard upon which returns to producers were to be based under the Jones-Costigan Act. In the mainland cane and sugar beet areas, parity prices were computed on the values of sugar beets and sugarcane during the 1910-14 base period. For the Hawaiian program "fair exchange value" was computed on the basis of the raw sugar price (New York) prevailing during the period 1910-14, but the program provided that producers would receive 90 percent of the processing tax payments which only approximated parity returns. In Puerto Rico, producers were paid the value of sugarcane prior to harvest based on current sugar prices and the sharing ratio under purchase contracts then in effect.

In the 1937 and 1948 Sugar Acts, specific standards to be applied in determining fair and reasonable prices were not specified. The basic purposes of the legislation - - to protect the welfare of those engaged in the domestic sugar-producing industry and to provide for equitable division of the benefits of the program among the parties - - served as general standards. Analysis of the practices followed in the production and marketing of sugar beets and sugarcane indicates basic similarities, but also

fundamental differences. As a consequence, the following general concepts have been recognized: (a) sugarcane producers have no market for their product except the sugarcane mill and in some regions no profitable alternative use for land; (b) sugar beet producers have alternative use for land but the growing of sugar beets is an integral part of a well rounded crop-rotation or livestock enterprise in the area; (c) sugar beet factories and sugarcane mills have no function alternative to the processing of beets or cane; (d) within a geographic area of reasonable limits, growers expect the same price for cane or beets of a given quality regardless of the technical efficiencies of the mill or factory to which the product is delivered except where customary settlement practices would be altered; (e) prices of cane and beets of varying qualities should reflect potential sugar recoverability; (f) it is undesirable to establish a lower price for sugar beets or sugarcane sold to small or inefficient groups of mills than for that sold to large or efficient groups of mills.

The standards which have been developed to meet these concepts, all of which receive consideration in fair price determinations, are:

- (1) Producer and processor negotiations. Prices which are the result of bargaining between the parties may be considered fair and reasonable if it appears that the parties have equal bargaining ability;
- (2) Historical sharing of returns: Prices may be considered fair and reasonable which will return to producers the same proportion of total proceeds from sugar and by-products in the area under consideration that they received over a period of years selected as a satisfactory period for this purpose. Adjustments are made in the application of this standard for technological changes on the farm and in the mill, and for changes in the degree of benefits accruing in the industry under the Sugar Act programs;
- (3) Parity of costs and returns: Prices which result from the sharing of total proceeds from sugar and by-products in the same proportion as the total costs of production and processing are shared by producers and processors may be considered fair and reasonable. This standard has become the most specific indicator of minimum prices to growers and, of course, depends on the availability of reliable cost data for each of the producing

areas. The standard also recognizes to the degree possible the return to each party on investment and risk of the enterprise;

- (4) Ability of the processor to pay: A fair and reasonable price for sugar beets or sugarcane must recognize the need of the processing enterprise for the return of operating costs at anticipated volume levels. This standard is considered in instances where prices indicated by other standards may jeopardize the continuing operation of processing facilities in a region where growers still wish to produce sugarcane or sugar beets;
- (5) Customs and historical relationships: In determining fair and reasonable prices the customs and relationships historically existing between processors and producers are recognized. In many areas, it has been customary for processors to furnish to producers allowances for hauling and transportation, hoisting and weighing services, technical advice, etc., all of which contribute to the value of sugarcane or sugar beets.

In developing fair price determinations there has not been evolved a precise formula which assigns fixed weightings to each of these standards. Their relative importance varies from area to area and from year to year. The effectiveness of the determinations can be judged only by the long term relationship between processors and producers resulting from the determinations issued in each area.

PROCEDURE AND ADMINISTRATION

The Sugar Act provides that fair price determinations shall be issued by the Secretary "after investigation and due notice and opportunity for public hearing." Accordingly, the Sugar Division annually holds public hearings in each of the five domestic sugar-producing areas, namely, the sugar beet area, the mainland sugarcane area (Louisiana and Florida), Hawaii, Puerto Rico and the Virgin Islands. A notice of hearing is published in the Federal Register at least 10 days in advance of the hearing date, and is further publicized by release to the press, stating the general purpose of the hearing, the authority under which it is being held, the location and date of meeting, and the names of

the presiding officers. In addition to stating the general purpose of the hearing, i.e., to receive evidence likely to be of assistance to the Secretary in determining fair and reasonable prices for sugarcane or sugar beets of a specified crop in a specified area, the notice may be used to direct attention to problems or conditions in which the Department is particularly interested. In such cases the notice usually includes a request that interested persons be prepared to submit evidence or make recommendations with respect to a particular aspect of the subject matter.

Hearings are held usually just prior to the beginning of the crop year to which the ensuing determination will apply. In the larger areas hearings have been held at two or more locations to insure opportunity for participation by all interested persons in the area. In recent years hearings have been held at six locations in the beet area, two in the mainland cane area, and one each in Hawaii, Puerto Rico and the Virgin Islands.

Investigations by the Sugar Division of matters pertaining to "fair and reasonable" prices is a continuing process in all the domestic sugar-producing areas. Such investigations include analyses of grower-processor contractual relations, comparisons of the economic position of growers and processors, and special studies of problems pertaining to particular aspects of the price of sugarcane or sugar beets in any area. Statistical data and other information are obtained from Area, State and County Offices of the Department, from processors and producers through reports and questionnaires, and directly by Division personnel in field trips or at the public hearings. Data on returns and costs of producing and processing sugarcane and sugar beets are obtained through field cost studies made by the Division.

Analyses of grower-processor contracts and grower-processor relations in general are of particular importance with respect to price determinations for several reasons. In some areas, sugarcane or sugar beets are purchased by processors under purchase agreements or contracts entered into with producers. As was stated earlier, in such instances the prices provided in such contracts may or may not be considered "fair and reasonable", depending largely on the relative bargaining position of the parties to the contract. Therefore to carry out the provisions of the Sugar Act economic analyses of the contracts in light of minimum standards are required to determine the relative positions of producers and processors under such contracts. In other areas, producers and processors believe that the fair price determination eliminates the necessity for purchase agreements, and the relationship between the parties is governed almost entirely by the provisions of the price

determination. Producer and processor organizations and Grower-Processor Committees have been particularly helpful and cooperative in the administration of the "fair and reasonable" price provisions of the Act.

The price determination for a particular crop of sugarcane or sugar beets is prepared by the Division as soon as practicable following the public hearing so that the determination may be issued early in the applicable crop season. The Sugar Act of 1948 required that a Statement of Bases and Considerations accompany each determination giving the reasons and justification for the action taken.

Announcement of determinations of fair and reasonable prices is made to the press and copies are mailed to County, State and Area Offices of the Department, to processors, grower associations, and to other interested persons. Various trade associations include the requirements of newly-issued determinations in their publications. To assist Departmental officials in the field in their administration of determinations, the Division also issues instructions and interpretations with respect to the various provisions of each new determination.

PROGRAM RESULTS

Generally, producer sharing in the proceeds available to the industry from sugar and by-products and Government payments has increased under the sugar programs. (Table 1). In the sugar beet area the share of proceeds received by producers increased from 48 percent in 1933 to 62 percent in recent years. In Louisiana the share of proceeds to producers increased from 60 percent prior to the first Sugar Act to 66-68 percent in recent years. Florida producers show an improvement of 17 percentage points - from 46 to 63 percent - over the same period. Producers in Puerto Rico benefited by 8 points between 1933 and 1953. During the war years producers in these areas received a somewhat higher ratio of returns due to payments received under Government production incentive programs. In Hawaii producer participation has varied during the years 1937 to 1953 due primarily to contract re-negotiations to meet substantial economic changes. Over these years producers have received somewhat more than one-half of the total proceeds. Year to year fluctuations noted in producers' participation in each of the areas result primarily from quality deviations.

A comparison of returns to producers (including processor and Government payments) with the price of refined sugar serves to further indicate the benefits which have accrued to producers

under the sugar program. Using the years 1930 through 1933 as a base, mainland sugarcane producers show the greatest improvement in the relationship of income per ton of product to prices of refined sugar per hundredweight. However, producers in the sugar beet area and in Puerto Rico also have shown improvement. (Figure 1).

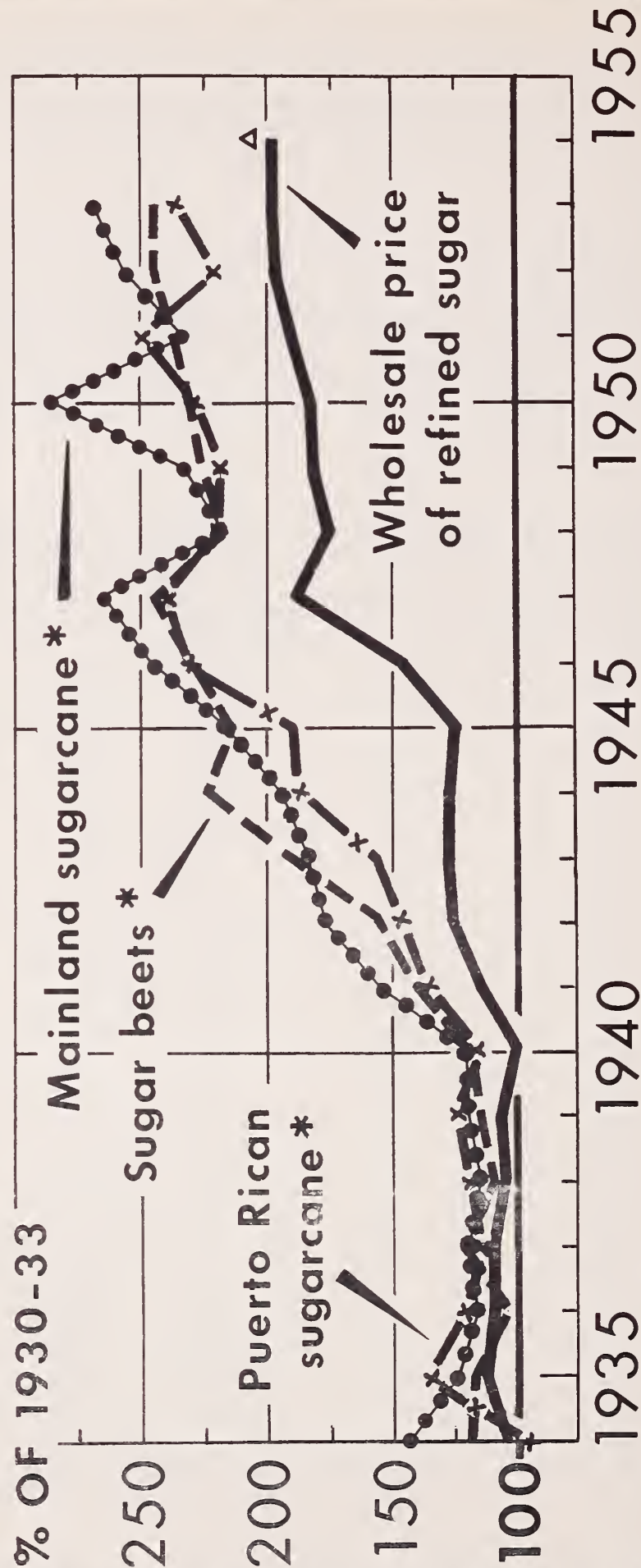
Figure 2 compares prices received by producers for sugar beets and sugarcane under the sugar program with parity prices. Significant deviations are noted in some of the years due to price and yield variations. During the five-year period ending in 1953 sugar beet producers have received an average of 94 percent of parity while mainland sugarcane producers received an average of 92 percent.

Table 1.-Growers' share of total proceeds from sugar and molasses^{1/}

Year	Sugar beets	Louisiana	Florida	Puerto Rico	Hawaii
	<u>Percent</u>				
1930	67	64	-	57	-
1931	57	69	53	61	-
1932	48	44	46	62	-
1933	48	60	46	59	-
1934	55	71	63	58	-
1935	52	65	50	66	-
1936	49	59	48	60	-
1937	56	61	57	59	59
1938	57	59	56	63	58
1939	56	60	53	67	55
1940	57	59	55	68	57
1941	58	66	54	68	55
1942	62	70	60	68	55
1943	67	67	59	68	53
1944	69	70	62	72	51
1945	68	72	65	71	57
1946	62	69	59	74	60
1947	66	68	63	67	52
1948	63	68	56	67	52
1949	61	66	63	66	52
1950	63	66	62	70	53
1951	63	63	64	68	51
1952	62	67	63	68	54
1953	62	68	63	67	54

^{1/} Includes payments from processors for sugar and molasses and Government payments to growers, expressed as percentage of total proceeds.

GROWERS' INCOME FROM SUGAR BEETS AND SUGARCANE AND PRICE OF SUGAR



* GROWERS' INCOME PER TON, INCLUDING SUGAR ACT AND SUPPORT PAYMENTS Δ JAN. - JUNE 1954

Figure 1

PRICES RECEIVED BY GROWERS FOR SUGAR BEETS AND SUGARCANE

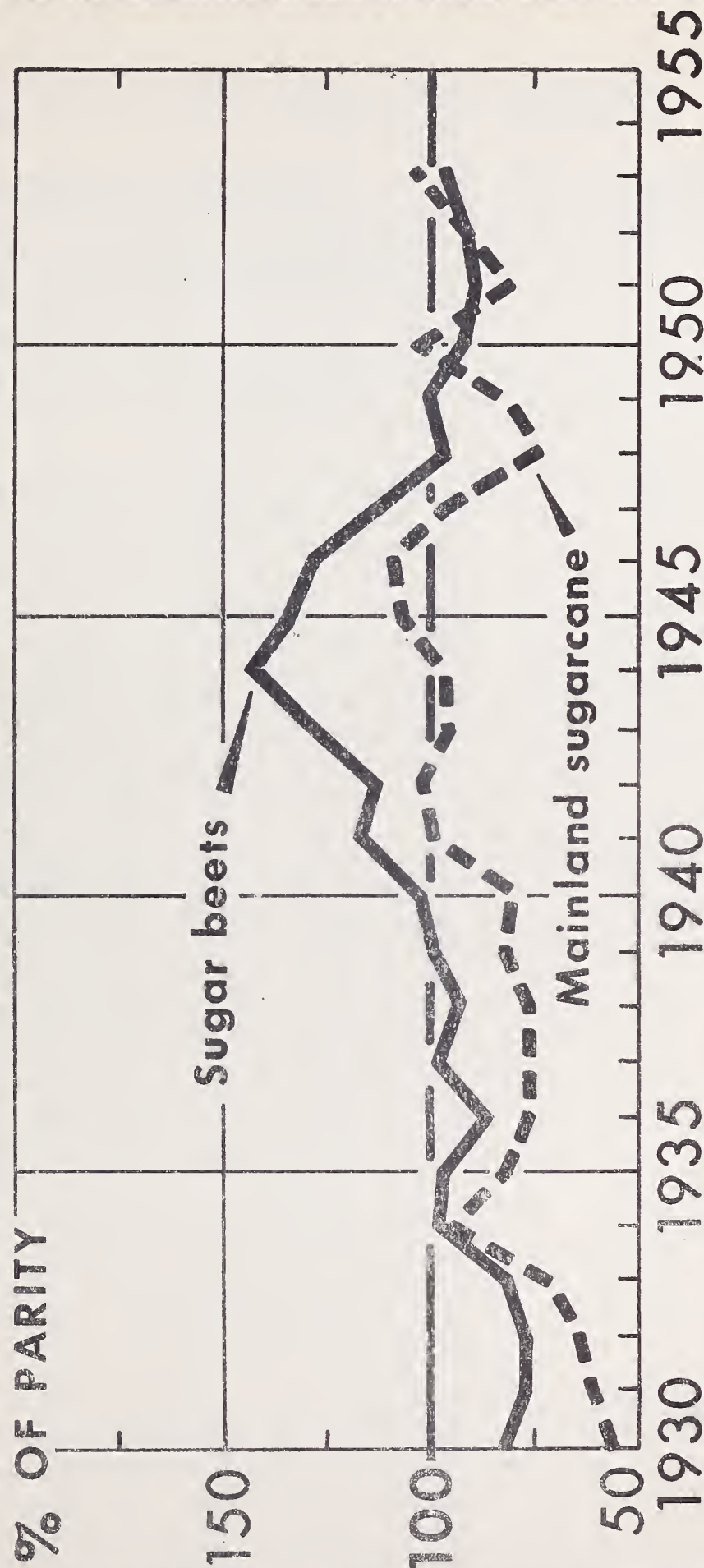


Figure 2

SUGAR ACT OF 1948 -- ADMINISTRATIVE ACTIONSDate announcedAdministrative Action

July 21, 1954

Certification for entry of Cuban direct-consumption sugar announced, effective July 22. This action is necessary to preclude entry of sugar in excess of the direct-consumption portion of the quota, since 80 percent of the limitation already had been entered.

July 30, 1954

Allotment of the 1954 quota for the domestic beet sugar area announced. The allotments are based on the record of hearings held in Chicago, Illinois on January 18-20 and in Washington, D. C. on June 24-25. The order limits marketings of beet sugar to 90 percent of the allotments until final data relative to 1953 production and marketings and January 1, 1954 effective inventories are available and an amended order based on such data is issued.

August 3, 1954

Informal public hearing regarding establishment of proportionate shares (farm marketing allotments) for the 1954-55 Puerto Rican sugarcane crop announced for Santurce, Puerto Rico on August 16, 1954, at 10 A.M. in the conference room of the Agricultural Stabilization and Conservation Office, Segarra Building. In view of production of 1,205,000 short tons, raw value, of sugar from the 1953-54 sugarcane crop, a carryover of 140,000 tons into 1954, marketing outlets totaling about 1,180,000 tons and a resultant prospective carryover into 1955 of 165,000 tons, restriction of the 1954-55 crop is necessary to keep supplies in line with marketing quotas and carryover requirements.

August 13, 1954

Revised 1954 marketing allotments to processors in the mainland cane sugar area announced. The revised allotments are based on final data relative to production from the 1953 crop and calendar year 1953 marketings, and permit marketing of the

Date announcedAdministrative Action

August 13, 1954
(cont'd)

full allotments. Under previous allotments, which were based on preliminary 1953 data, marketings were restricted to 85 percent of the quota.

August 16, 1954

Establishment of "fair and reasonable prices" for the 1954 crop of Florida sugarcane continuing the heretofore existing relationships between producers and processors in the state. The minor changes in this determination from the 1953 determination will have little effect on producer returns.

August 20, 1954

Certification for entry of all Cuban sugar after August 23 announced. Since 80 percent of the Cuban quota has been filled this action is necessary to prevent sugar in excess of the quota from being entered.

STATISTICAL SERIES IN THIS ISSUEHIGHLIGHTS

1. Deliveries of sugar by primary distributors for United States consumption during July, 755 thousand tons, 15 percent or 130 thousand tons, less than July last year. This decrease offsets the tendency shown in May and June to catch up with 1953 deliveries. July deliveries by beet processors down about 7 percent from July 1953, those of refiners about 17 percent, and those of importers down about 11 percent.

Total deliveries for January-July, 4,677 thousand tons, compares with 4,851 thousand tons during first seven months last year; beet sugar deliveries up about 9 percent, cane sugar deliveries down about 6 percent.

2. Stocks held by primary distributors August 1 were 1,282 thousand tons, 14 percent or 202 thousand tons, less than on June 30, 1954 but 18 percent or 192 thousand tons larger than a year earlier.
3. Charges against quotas for January-July 1954, 5,050 thousand tons, 45 thousand tons less than during same period of 1953. For domestic beet sugar charges against quota up 9.4 percent; for mainland cane, up 8.0 percent; for Republic of the Philippines, up 16.2 percent; and for Cuba, up 1.9 percent. For Puerto Rico and Hawaii charges against quota through July were 182 thousand tons (23.8 percent), and 74 thousand tons (12.0 percent), less respectively, than in 1953.

Table 2.- Distribution of sugar by primary distributors in the continental United States, Puerto Rico, and Hawaii during January - June 1954 and 1953

	<u>1954</u>	<u>1953</u>
	(Short tons, raw value)	
<hr/>		
<u>Continental United States</u>		
Refiners' raw	606	1,214
Refiners' refined	2,774,579	2,878,425
Beet processors	813,916	720,516
Importers' direct-consumption	288,676	326,991
Mainland cane mills direct- consumption	<u>59,500</u>	<u>57,672</u>
Total	3,937,277	3,984,818
Deliveries for export, livestock feed, etc.	15,581	19,340
For continental consumption <u>1/</u>	3,921,696	3,965,478
<u>Puerto Rico</u>	44,226	37,511
Hawaii	19,341	21,398

1/ Includes deliveries for United States military forces at home and abroad.

Table 3.- Stocks of sugar held by primary distributors in the continental United States, June 30, 1954 and 1953

	<u>1954</u>	<u>1953</u>
	(Short tons, raw value)	
Refiners' raw	371,299	293,205
Refiners' refined	324,846	352,900
Beet processors	593,968	568,548
Imports' direct-consumption	106,608	62,930
Mainland cane mills	<u>87,665</u>	<u>11,579</u>
Total	1,484,386	1,289,162

Table 7.- Mainland cane mills' stocks, production and deliveries, of sugar, January - June 1954

	short tons, raw value
Stocks January 1, 1954	143,653 <u>1/</u>
Production	107,558
Deliveries	
For further processing	104,046
For direct-consumption	<u>59,500</u>
Total	163,546
Stocks June 30, 1954	87,665

Source: Compiled from reports submitted by mainland sugarcane processors and processor-refiners.

1/ Revised.

Table 8.- Distribution of sugar by primary distributors in the continental United States, July and January-July, 1954 and 1953

	1954 <u>1/</u>		1953	
	July	Jan.-July	July	Jan.-July
	short tons, raw value			
Refiners	532,050	3,307,235	642,436	3,522,085
Beet processors	155,116	969,032	166,566	887,082
Importers	67,390	356,066	75,821	402,812
Mainland cane mills	<u>2,734</u>	<u>62,234</u>	<u>2,454</u>	<u>60,126</u>
Total	757,290	4,694,567	887,287	4,872,105
Deliveries for export, livestock feed, etc.	2,078	17,659	1,770	21,110
For continental consumption <u>2/</u>	755,212	4,676,908	885,517	4,850,995

1/ Preliminary.

2/ Includes deliveries for U. S. military forces at home and abroad.

Table 9.- Stocks of sugar held by primary distributors in the continental United States, August 1, 1954 and July 31, 1953

	August 1, 1954 <u>1/</u>	July 31, 1953
	(short tons, raw value)	
Refiners' raw	298,890	276,392
Refiners' refined	306,641	323,485
Beet processors	486,263	429,243
Importers	102,835	52,649
Mainland cane mills	87,665 <u>2/</u>	8,231
Total	<u>1,282,294</u>	<u>1,090,000</u>

1/ Preliminary. 2/ Not available; estimated same as June 30, 1954.

Table 10.- Status of 1954 sugar quotas as of July 31, 1954

Area	Quota	Credit for drawback of duty	Charge to quota and offset to drawback of duty	Unfilled balance	
				Total	Within direct consumption limits for off- shore areas
<u>short tons, raw value</u>					
Domestic beet	1,800,000	-	969,845	830,155	-
Mainland cane	500,000	-	206,361 <u>1/</u>	293,639	-
Hawaii	1,052,000	-	547,140	504,860	11,431
Puerto Rico	1,080,000	-	581,201	498,799	51,867
Virgin Islands	12,000	-	2,255	9,745	0
Republic of the Philippines	974,000	-	714,318	259,682	53,324
Cuba	2,670,720	2,761	1,977,778	695,703	773
Other foreign countries (see below)	<u>111,280</u>	<u>1,281</u>	<u>51,083</u>	<u>61,478</u>	<u>21</u>
Total	8,200,000	4,042	5,049,981	3,154,061	-
Foreign countries other than Cuba and Republic of the Philippines					
Dominican Republic	27,634	548	20,001	8,181)
El Salvador	4,140	0	0	4,140)
Haiti	2,674	14	2,682	6)
Mexico	11,458	112	11,567	3)
Nicaragua	7,832	0	7,823	9)
Peru	51,978	607	3,446	49,139)
Unspecified countries (those without indi- vidual prorations)	<u>5,564</u>	<u>0</u>	<u>5,564</u> <u>2/</u>	<u>0</u> <u>3/</u>)
Total	111,280	1,281	51,083	61,478	

Liquid Sugar ^{4/}

<u>Wine gallons of 72 percent total sugar content</u>				
Cuba	7,970,558	-	7,868,494	102,064
Dominican Republic	830,894	-	0	830,894
British West Indies	300,000	-	0	300,000

^{1/} July estimated same as July 1953.^{2/} Belgium, 337; China (Formosa), 1,040; Canada, 995; Costa Rica, 1,036; Hong Kong, 6; Netherlands, 1,037; Panama, 1,113.^{3/} Applications being held awaiting availability of quota comprise Belgium, 243; Canada, 214; China (Formosa), 1,186; Costa Rica, 1,350; Denmark, 1,164; Hong Kong, 8; Netherlands, 974; Panama, 1,055; total, 6,194^{4/} 900 gallons entered by United Kingdom under section 212.

Table 11.- Comparison of charges to quotas and offsets to drawback of duty
January - July 1953 and 1954

(Short tons, raw value, and percentage)

Area	1953	1954	Increases		Decreases	
	Tons	Tons	Tons	Percent	Tons	Percent
Domestic beet	886,497	969,845	83,348	9.4	-	-
Mainland cane	191,130 ^{1/}	206,361	15,231	8.0	-	-
Hawaii	621,605	547,140	-	-	74,465	12.0
Puerto Rico	763,115	581,201	-	-	181,914	23.8
Virgin Islands	9,077	2,255	-	-	6,822	75.2
Republic of the Philippines	614,771	714,318	99,547	16.2	-	-
Cuba	1,941,409	1,977,778	36,369	1.9	-	-
Other foreign countries (see below)	67,231	51,083	-	-	16,148	24.0
Total	5,094,835	5,049,981			44,854 ^{2/}	0.9 ^{2/}
Foreign countries other than Cuba and Republic of the Philippines						
Dominican Republic	21,051	20,001	-	-	1,050	5.0
El Salvador	0	0	-	-	-	-
Haiti	2,280	2,682	402	17.6	-	-
Mexico	10,611	11,567	956	9.0	-	-
Nicaragua	6,948	7,823	875	12.6	-	-
Peru	21,193	3,446	-	-	17,747	83.7
Unspecified countries (those without individual prorations)	5,148	5,564	416	8.1	-	-
Total	67,231	51,083			16,148 ^{2/}	24.0 ^{2/}

Liquid Sugar

	Wine gallons of 72 percent total sugar content					
Cuba	6,788,417	7,868,494	1,080,077	15.9	830,894	100.0
Dominican Republic	830,894	0	-	-	-	-
British West Indies	0	0	-	-	-	-

^{1/} Revised.

^{2/} Net decrease.

Table 12.- Status of 1954 sugar quotas as of August 18, 1954

Area	Quota	Credit for drawback of duty	Charge to quota and offset to drawback of duty	Unfilled balance	
				Total	With direct consumption limits for off- shore areas
<hr/>					
		<u>short tons, raw value</u>			
Domestic beet	1,800,000	-	1,030,243	769,757	-
Mainland cane	500,000	-	209,825 <u>1/</u>	290,175	-
Hawaii	1,052,000	-	593,154	458,846	9,515
Puerto Rico	1,080,000	-	633,562	446,438	35,446
Virgin Islands	12,000	-	2,255	9,745	0
Republic of the Philippines	974,000	-	765,495	208,505	52,369
Cuba	2,670,720	2,761	2,158,681	514,800	474
Other foreign countries (see below)	<u>111,280</u>	<u>1,281</u>	<u>56,670</u>	<u>55,891</u>	<u>30</u>
Total	8,200,000	4,042	5,449,885	2,754,157	-
 Foreign countries other than Cuba and Republic of the Philippines					
Dominican Republic	27,634	548	25,597	2,585)
El Salvador	4,140	-	0	4,140)
Haiti	2,674	14	2,682	6)
Mexico	11,458	112	11,557	13)
Nicaragua	7,832	-	7,824	8)
Peru	51,978	607	3,446	49,139)
Unspecified countries (those without indi- vidual prorations)	<u>5,564</u>	<u>-</u>	<u>5,564 <u>2/</u></u>	<u>0 <u>3/</u></u>)
Total	111,280	1,281	56,670	55,891	

Liquid Sugar ^{4/}

Wine gallons of 72 percent total sugar content					
Cuba	7,970,558	-	7,970,558	0	
Dominican Republic	830,894	-	830,894	0	
British West Indies	300,000	-	0	300,000	

^{1/} Estimated.^{2/} Belgium, 337; China(Formosa), 1,040; Canada, 995; Costa Rica, 1,036; Hong Kong, 6; Netherlands, 1,037; Panama, 1,113.^{3/} Applications being held awaiting availability of quota comprise Belgium, 243; Canada, 214; China(Formosa), 1,186; Costa Rica, 1,350; Denmark, 1,164; Hong Kong, 8; Netherlands, 974; Panama, 1,055; total, 6,194.^{4/} 900 gallons entered by United Kingdom under section 212.